

CITY OF TIGARD, OREGON
TIGARD CITY COUNCIL
RESOLUTION NO. 07- 12

A RESOLUTION ESTABLISHING SANITARY SEWER REIMBURSEMENT DISTRICT NO. 40 (SW ANN STREET)

WHEREAS, the City has initiated the Neighborhood Sewer Extension Program to extend public sewers and recover costs through Reimbursement Districts in accordance with TMC Chapter 13.09; and

WHEREAS, the property owners of proposed Sanitary Sewer Reimbursement District No. 40 (SW Ann Street) have been notified of a public hearing in accordance with TMC 13.09.060 and a public hearing was conducted in accordance with TMC 13.09.050; and

WHEREAS, the City Engineer has submitted a report describing the improvements, the area to be included in the Reimbursement District, the estimated costs, a method for spreading the cost among the parcels within the District, and a recommendation for an annual fee adjustment; and

WHEREAS, the City Council has determined that the formation of a Reimbursement District as recommended by the City Engineer is appropriate.

NOW, THEREFORE, BE IT RESOLVED by the Tigard City Council that:

SECTION 1: The City Engineer's report titled "Sanitary Sewer Reimbursement District No. 40," attached hereto as Exhibit A, is hereby approved.

SECTION 2 A Reimbursement District is hereby established in accordance with TMC Chapter 13.09. The District shall be the area shown and described in Exhibit B. The District shall be known as "Sanitary Sewer Reimbursement District No. 40, SW Ann Street."

SECTION 3 Payment of the reimbursement fee, as shown in Exhibit A, is a precondition of receiving City permits applicable to development of each parcel within the Reimbursement District as provided for in TMC 13.09.110.

SECTION 4 An annual fee adjustment, at a rate recommended by the Finance Director, shall be applied to the Reimbursement Fee.

SECTION 5 The City Recorder shall cause a copy of this resolution to be filed in the office of the County Recorder and shall mail a copy of this resolution to all affected property owners at their last known address, in accordance with TMC 13.09.090.

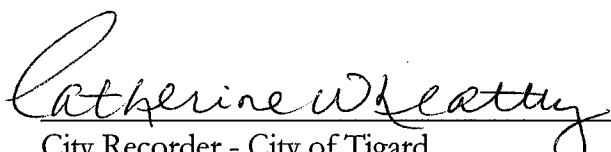
SECTION 6: This resolution is effective immediately upon passage.

PASSED: This 13th day of March 2007.



Mayor - City of Tigard

ATTEST:



City Recorder - City of Tigard

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Exhibit A
City Engineer's Report
Sanitary Sewer Reimbursement District No. 40
(SW Ann Street)

Background

This project will be constructed and funded under the City of Tigard Neighborhood Sewer Extension Program (NSEP). Under the program, the City of Tigard would install public sewers to each lot within the project area. At the time the property owner connects to the sewer, the owner would pay a connection fee, currently \$2,735, and reimburse the City for a fair share of the cost of the public sewer. There is no requirement to connect to the sewer or pay any fee until connection is made. In addition, property owners are responsible for disconnecting their existing septic systems according to Washington County rules and for any other modifications necessary to connect to the public sewer.

Project Area - Zone of Benefit

Serving the nine lots in the following table will require the extension of an existing sewer in SW 116th Avenue south to SW Ann Street. All of the currently unserved lots along SW Ann Street from SW 116th Avenue to SW 121st Avenue will be served. The lots along the north side of SW Ann Street are currently served by a sewer along their back lot lines.

The proposed project would provide sewer service to a total of nine lots within the proposed reimbursement district as shown on Exhibit Map B.

Cost

The estimated cost for the sanitary sewer construction to provide service to the nine lots is \$252,607. Engineering and inspection fees amount to \$34,102 (13.5%) as defined in TMC 13.09.040(1). The estimated total project cost is \$286,709. Subject to the Incentive Program, this is the usual expected estimated amount that would be reimbursed to the sanitary sewer fund as properties connect to the sewer and pay their fair share of the total amount. However, the owners have expressed concern about the reimbursement fee being higher than the fee for other districts.

The higher fee is the result of the sewer only serving the south side of Ann Street since the lots on the north side are currently served by a sewer along their back lot line. This leaves the lots on the south side with the entire cost of the sewer instead of sharing the cost with the lots on the other side of the street. The owners believe that there is an easement along their back lot line intended for a sewer that could serve their lots as well as the lots immediately south and fronting onto Walnut Street. Although a sewer at this location does not meet City design standards, the owners expected that they would share the cost of constructing this sewer with the lots on the south side of the easement. However, these lots on the south side of the easement were provided with sewer service from sewers installed in Walnut Street in 2001 through Sewer Reimbursement District No. 18. The owners believe that the installation of sewers in Walnut Street eliminated an opportunity for cost sharing of the construction of a

sewer and now request relief by reducing the reimbursement fee by one-half. Staff recommends approval of this request. The following tables show the estimated cost to each owner with approval of the request. The estimated cost to each owner is based on spreading one half of the total estimated project cost among the owners instead of the full cost.

In addition to sharing the cost of the public sewer line, each property owner will be required to pay a connection and inspection fee, currently \$2,735, upon connection to the public line. All owners will be responsible for all plumbing costs required for work done on private property.

Reimbursement Rate

All properties in the proposed district are zoned R-4.5 but vary in lot size from about twelve thousand to sixteen thousand square feet as can be seen in the following list of lots. Therefore, it is recommended that the total cost of the project be divided among the properties proportional to the square footage of each property.

Other reimbursement methods include dividing the cost equally among the owners or by the length of frontage of each property. These methods are not recommended because there is no correlation between these methods and the cost of providing service to each lot or the benefit to each lot.

Each property owner's estimated fair share of the public sewer line is \$1.03850159 per square foot of lot served. Each owner's fair share would be limited to \$6,000, to the extent that it does not exceed \$15,000, for connections completed within three years of City Council approval of the final City Engineer's Report following construction in accordance with Resolution No. 01-46 (attached). In addition to paying for the first \$6,000, owners will remain responsible for paying all actual costs that exceed \$15,000. Upon request, payment of costs that exceed \$15,000 may be deferred until the lot is developed, as provided by Resolution No. 03-55 (attached).

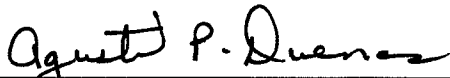
Annual Fee Adjustment

TMC 13.09.115 states that an annual percentage rate shall be applied to each property owner's fair share of the sewer line costs on the anniversary date of the reimbursement agreement. The Finance Director has set the annual interest rate at 6.05% as stated in City of Tigard Resolution No. 98-22.

Recommendation

It is recommended that a reimbursement district be formed with an annual fee increase as indicated above and that the reimbursement district continue for fifteen years as provided in Tigard Municipal Code (TMC) 13.09.110(5). Fifteen years after the formation of the reimbursement district, properties connecting to the sewer would no longer be required to pay the reimbursement fee.

Submitted February 27, 2007



Agustin P. Duenas, P.E.
City Engineer

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ANN STREET
Reimbursement District No. 40
Estimated Cost to Property Owners
February 27, 2007

	OWNER	SITE ADDRESS	AREA (S.F.)	ESTIMATED FULL REIMBURSEMENT FEE	RECOMMENDED REDUCED REIMBURSEMENT FEE	TO BE PAID BY OWNER IF CONNECTED WITHIN 3 YEARS	TO BE PAID BY CITY IF CONNECTED WITHIN 3 YEARS	ESTIMATED REDUCED AMOUNT OVER \$15,000 THAT CAN BE DEFERRED BY OWNER IF CONNECTED WITHIN 3 YEARS
1	VANSANT, JEFFREY	12070 SW ANN ST	15600.7689243	\$32,403	\$16,201	\$6,000	\$9,000	\$1,201
2	ZARR, JAMES A AND DONA J	12010 SW ANN ST	15783.9670897	\$32,783	\$16,392	\$6,000	\$9,000	\$1,392
3	ANDERSON, EDWARD L & MARY ANNE	11950 SW ANN ST	15614.5578744	\$32,431	\$16,216	\$6,000	\$9,000	\$1,216
4	HUTCHISON, PERRY C	11890 SW ANN ST	16119.9306668	\$33,481	\$16,741	\$6,000	\$9,000	\$1,741
5	PROCTOR, TIFFANY A & PATRICK E	11830 SW ANN ST	15858.6525555	\$32,938	\$16,469	\$6,000	\$9,000	\$1,469
6	PARSONS, JOE P MARLYNN	11770 SW ANN ST	15531.5788679	\$32,259	\$16,130	\$6,000	\$9,000	\$1,130
7	POTTHOFF, ROGER & MARY	11710 SW ANN ST	15949.2526235	\$33,127	\$16,563	\$6,000	\$9,000	\$1,563
8	SPRAGUE, MICHAEL M	11650 SW ANN ST	15917.7795199	\$33,061	\$16,531	\$6,000	\$9,000	\$1,531
9	BANKS, RICHARD L	11590 SW ANN ST	11663.0718303	\$24,224	\$12,112	\$6,000	\$6,112	\$0
			138040	\$286,709	\$143,354	\$54,000	\$78,112	\$11,242

The "ESTIMATED FULL REIMBURSEMENT FEE" column shows the estimated reimbursement fee for each lot if the full cost of the project was imposed on the owners.

The "RECOMMENDED REDUCED REIMBURSEMENT FEE" column shows the recommended reduced reimbursement fee for each lot. There are no requirements to connect to the sewer or pay any fees until the owner decides to connect to the sewer. The final reimbursement fee will be determined once construction is complete and final costs are determined.

In accordance with Resolution No. 01-46, each property owner will be required to pay the first \$6,000 of the final reimbursement fee for connections completed within the first three years of City Council's approval of the final City Engineer's Report following construction. The "TO BE PAID BY CITY IF CONNECTED WITHIN 3 YEARS" column shows that portion of the reimbursement fee that the owner will not be required to pay if they connect to the sewer during this three year period which is that amount of the reimbursement fee between \$6,000 and \$15,000.

This resolution also requires owners to pay any fair share amount that exceeds \$15,000. Consequently, if the final fair share for an owner exceeds \$15,000, the owner would be required to pay \$6,000 plus that amount of the fair share that exceeds \$15,000. This amount, based on the reduced fee, is shown in the "ESTIMATED AMOUNT OVER \$15,000 THAT CAN BE DEFERRED BY OWNER IF CONNECTED WITHIN 3 YEARS" column. Under Resolution No. 03-55, payment of the amount in excess of \$15,000 may be deferred until the owner's lot is developed.

In addition to the reimbursement fee, the owners will also be required to pay a connection fee, currently \$2,735, at the time of connection to the sewer. Property owners are also responsible for disconnecting their existing septic system according to Washington County rules and for any other modifications necessary to connect to the public sewer.

ANN STREET
Reimbursement District No. 40
Estimated Cost to Property Owners
February 27, 2007

Estimated Construction Cost	\$219,658
15% contingency (construction)	\$32,949
Estimated construction subtotal	\$252,607
13.5% contingency (Admin & Eng)	\$34,102
total project costs	\$286,709
total area to be served (S.F.)	138,040
	\$2.07700318
total recommended cost per S.F. to property owner	\$1.03850159

ANN STREET
DISTRICT NO. 40
FY 2006-07 SANITARY SEWER EXTENSION PROGRAM
A PORTION OF THE SW 1/4 SECTION 3 T2S R1W W.M.



NOTE:

All properties in the reimbursement district are zoned R4.5

EXHIBIT B
NTS